

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in Compliance with D.N.J. LBR 9004-1(a)

CULLEN AND DYKMAN LLP
433 Hackensack Avenue
Hackensack, NJ 07601
Tel: (201) 488-1300
Fax: (201) 488-6541
David Edelberg, Esq.
dedelberg@cullenanddykman.com
Counsel to Dianna Guadagnino

In Re:

DIANNA GUADAGNINO

Debtor.

Chapter 11

Case No.: 17-12951(RG)

Judge: Rosemary Gambardella

Hearing Date: November 28, 2018
At 11:00 a.m.

**CERTIFICATION OF DIANNA GUADAGNINO IN SUPPORT
OF DEBTOR'S MOTION FOR ENTRY OF AN ORDER APPROVING
POST-PETITION SECURED FINANCING AND GRANTING RELATED
RELIEF**

Dianna Guadagnino, being of full age, hereby certifies as follows:

1. My name is Dianna Guadagnino and I am the Debtor in the above captioned matter ("Debtor"). As such, I am fully familiar with my assets, liabilities, financial affairs, and more importantly, the proposed refinancing of the Community Avenue property.
2. I am the owner of four parcels of real property located at: (i) 194 Pine Street; (ii) 252 Suydam Street; (iii) 104 Lafayette Street; and (iv) 287 Communipaw Avenue, and fourteen (14) garages, all located in Jersey City, New Jersey (collectively the "Properties").
3. I am an individual who resides at the multi-family home located at 287

Communipaw Avenue, Jersey City, New Jersey 07304 (the “Communipaw Property”). In recent years, I have also resided in Watford City, North Dakota.

4. On February 16, 2017 (the “Petition Date”), I filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in order to stay a scheduled sheriff’s sale of the Communipaw Property. Since then, I have remained in possession of the Properties and continue to manage the Properties.

5. Except as otherwise indicated, all facts set forth in this Certification are personal knowledge, my review of relevant documents, or my opinion based upon experience, knowledge, and information concerning the Properties. If called upon to testify, I could and would testify competently to the facts set forth herein, unless otherwise noted. I am authorized to submit this Certification.

6. I own and maintain the Properties in Jersey City, New Jersey. The Properties are rented and generate regular monthly income in the projected amount of approximately \$16,000.00.

7. The estimated fair market values of the Properties, the first mortgage holders and the estimated balances due consist of the following¹:

<u>Property</u>	<u>Estimated FMB Value</u>	<u>Lien Holder and Balance Due</u>
287 Communipaw Avenue Property (including 9 garages)	\$500,000	M&T Bank, Successor by merger to Hudson City Savings Bank - \$407,802.80 ² .
287 Communipaw Avenue Property	\$50,000	Dianne Clemente, 2nd mortgage - \$50,000.
252 Suydam Street Property	\$500,000	Wells Fargo Bank, as Trustee for Carrington Mortgage Loan Trust Series 2006-FRE 1 Asset Backed BASSP Thru

¹ Taken from the Disclosure Statement, as of June 30, 2018

² As per ballot filed by M&T Bank on September 20, 2018.

		Certificates - \$522,826.38 (as of May 2, 2018).
104 Lafayette Street Property	\$420,000	Wells Fargo Bank - <u>\$312,123.05</u>
194 Pine Street Property	\$420,000	Bank of America - \$383,710.68
TOTAL	\$1,890,000	\$1,676,462.91

8. The Communipaw Property has two units available for rent and nine garages. The approximate monthly revenue generated by the Communipaw Property is \$5,985.00. The approximate monthly expenses, including taxes, current mortgage principle and interest payments, maintenance and garbage collection, electric and gas, and water, generated by the Communipaw Property is approximately \$2,900.00. The revenues generated by the Communipaw Property exceed expenses by approximately \$3,085.00 per month.

9. The 252 Suydam Avenue, Jersey City, New Jersey 07304 property (the "Suydam Property") has two units rented and five garages rented. The total approximate monthly revenue generated by the Suydam Property is \$5,450.00. The approximately monthly expenses, including taxes, insurance, current mortgage principle and interest, maintenance and garbage, electric and gas, and water, generated by the Suydam Property is approximately \$2,776.40. The revenues generated by the Suydam Property exceed expenses by approximately \$2,673.60.00 per month.

10. M&T Bank holds a first mortgage on the Communipaw Property.

11. An individual named Dianne Clemente has a second junior mortgage in the amount of approximately \$50,000.00 on the Communipaw Property.

12. M&T Bank has been receiving monthly payments upon its first mortgage for the majority of the pendency of my Chapter 11 case.

13. Based upon the foregoing, the Communipaw Property and Suydam Property generate sufficient income to satisfy: (i) real estate taxes as they become due; (ii) insurance premiums; (iii) maintenance of the premises, and (iv) payments to each of the first mortgage holders.

14. All of the Properties are currently protected by insurance.

15. I determined that, due to M&T's opposition to my Plan of Reorganization, and refusal to negotiate with respect thereto, that refinancing M&T's mortgage would likely simplify my efforts to confirm my Plan.

16. Consequently, I searched for a commercial lender who was willing to extend a loan on an unsecured basis. However, with at least two foreclosures pending at the time of my Chapter 11 filing, I knew from my experiences that I was unlikely to obtain conventional financing at such a favorable interest rate. This was confirmed when I was denied credit by Stockman Bank.

17. Unable to find a lender willing to provide an unsecured loan, I was able to find Toby Mug Financing LLC, who was willing to provide a loan on a secured basis.

18. On October 22, 2018, Toby Mug Financing LLC offered a \$450,000 mortgage commitment (the "Loan") to refinance the Communipaw Property. The Loan term sheet is annexed hereto as Exhibit "A".

19. The monthly payments under the Loan, which are subject to change pending the date of Court approval, is on [DATE] [AMOUNT]. See Loan.

20. The terms of the Loan are as follows:

- a. The Loan places a first lien on the Communipaw Premises.
- b. The Loan places a second lien on 252 Suydam Avenue, Jersey City, New Jersey property.

- c. All real estate taxes must be paid in full through year-end 2018. No other liens can be placed on the property while this loan is in place.
- d. Confirmation that any leases in place are market related (i.e., not below market rents set over long periods of times).
- e. All closings costs, including Lender's Legal fees, to be paid to by Borrower.
- f. 3-Year Term and prepayment penalty of 5% of outstanding balance only if prepaid in Year 1. No prepayment penalty thereafter.
- g. 5.5% points accrued to loan balance upfront and at beginning of each new year term. Thereafter monthly interest is calculated at 8% per annum. Cash Payment minimum is \$1,000 per month and the remaining interest due will be accrued to the loan balance. Borrower has the right to pay as much as the monthly interest due each month in year one and not incur prepayment penalties. Prepayments of any amounts are allowed after Year 1.
- h. Balloon payment due at maturity.
- i. 10% late fee on any monthly payment paid after the 10th of the month when due.
- j. The Post-Petition secured financing is essential to the continued operations of the Communipaw Property and is in my best interest, as the Debtor, and my estate.

21. I certify under penalty of perjury that the above comments are true to the best of my knowledge, information and belief.



Dianna Guadagnino

Dated: November _13_, 2018

EXHIBIT A

**Toby Mug Financing LLC
P. O. Box 30298
Fort Lauderdale, FL 33303**

October 22, 2018

To Whom It May Concern:

Re: Mortgage Commitment for 287 Communipaw Ave, Jersey City, NJ 07304

Toby Mug Financing LLC is pleased to offer a **\$450,000** mortgage commitment to refinance the subject property under the following terms and conditions:

- First lien on 287 Communipaw Ave, Jersey City.
- All real estate taxes must be paid in full through year-end 2018. No other liens can be placed on the property while this loan is in place.
- Confirmation that any leases in place are market related (i.e., not below market rents set over long period of times).
- Second lien on 252 Suydam Ave, Jersey City.
- All closing costs, including Lender's Legal fees, to be paid by Borrower.
- 3-Year Term and prepayment penalty of 5% of outstanding balance only if prepaid in Year 1. No prepayment penalty thereafter.
- 5.5% points accrued to loan balance upfront and at beginning of each new year term. Thereafter monthly interest is calculated at 8% per annum. Cash Payment minimum is \$1,000 per month and the remaining interest due will be accrued to the loan balance. Borrower has the right to pay as much as the monthly interest due each month in year one and not incur prepayment penalties. Prepayments of any amounts are allowed after Year 1.
- Balloon payment due at maturity.
- 10% late fee on any monthly payment paid after the 10th of the month when due.
- Representative amortization schedule is attached. Will be tweaked once actual closing date is set.

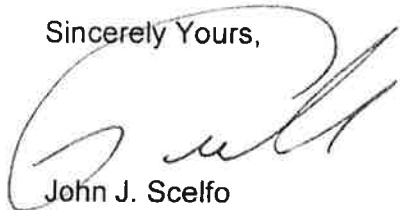
A handwritten signature in black ink, appearing to be a stylized 'P' or 'M' followed by a flourish.

I understand you require Court approval for this loan and that if approved, this property will no longer be affected by your Bankruptcy filing. As soon as that is done, I will present the approved terms to a lawyer to prepare all documentation. At that time, I will request \$2,000 toward closing costs which the Borrower can refund herself from the loan proceeds at closing. The reason for this is so that I don't start incurring legal fees then find out that you do not proceed with the loan.

John J Scelfo
Toby Mug Financing LLC
P. O. Box 30298
Fort Lauderdale, FL 33303
Cell: 917-951-3968
Email: scelfo_john@yahoo.com

Please contact me if there are any questions. Thank you.

Sincerely Yours,



John J. Scelfo
Principal
Tel: 917-951-3968
Email: jjscelfo@jjscapitalgroup.com



2018 - 2021 Loan: 287 Communipaw Ave, Jersey City, N.J.

PAYMENT DATE	BEGINNING BALANCE	PRINCIPAL & INTEREST PAYMENT	INTEREST CHARGE	(365 Day Basis.) PRINCIPAL REPAY	(if after 10th) 10% LATE PENALTIES	Default Rate of 18% ENDING BALANCE	Per annum Int & PENALTIES	YEAR
11/15/18	\$0.00	(\$450,000.00)	\$24,750.00	(\$474,750.00)		\$474,750.00		
12/01/18	\$474,750.00	\$0.00	\$1,664.88	(\$1,664.88)		\$476,414.88	\$26,414.88	2018
01/01/19	\$476,414.88	\$1,000.00	\$3,176.10	(\$2,176.10)		\$478,590.98		
02/01/19	\$478,590.98	\$1,000.00	\$3,190.61	(\$2,190.61)		\$480,781.58		
03/01/19	\$480,781.58	\$1,000.00	\$3,205.21	(\$2,205.21)		\$482,986.79		
04/01/19	\$482,986.79	\$1,000.00	\$3,219.91	(\$2,219.91)		\$485,206.70		
05/01/19	\$485,206.70	\$1,000.00	\$3,234.71	(\$2,234.71)		\$487,441.42		
06/01/19	\$487,441.42	\$1,000.00	\$3,249.61	(\$2,249.61)		\$489,691.03		
07/01/19	\$489,691.03	\$1,000.00	\$3,264.61	(\$2,264.61)		\$491,955.63		
08/01/19	\$491,955.63	\$1,000.00	\$3,279.70	(\$2,279.70)		\$494,235.34		
09/01/19	\$494,235.34	\$1,000.00	\$3,294.90	(\$2,294.90)		\$496,530.24		
10/01/19	\$496,530.24	\$1,000.00	\$3,310.20	(\$2,310.20)		\$498,840.44		
11/01/19	\$498,840.44	\$1,000.00	\$3,325.60	(\$2,325.60)		\$501,166.04		
12/01/19	\$501,166.04	\$1,000.00	\$30,905.24	(\$29,905.24)		\$531,071.28		2019
01/01/20	\$531,071.28	\$1,000.00	\$3,540.48	(\$2,540.48)		\$533,611.76	\$66,656.41	
02/01/20	\$533,611.76	\$1,000.00	\$3,557.41	(\$2,557.41)		\$536,169.17		
03/01/20	\$536,169.17	\$1,000.00	\$3,574.46	(\$2,574.46)		\$538,743.63		
04/01/20	\$538,743.63	\$1,000.00	\$3,591.62	(\$2,591.62)		\$541,335.26		
05/01/20	\$541,335.26	\$1,000.00	\$3,608.90	(\$2,608.90)		\$543,944.16		
06/01/20	\$543,944.16	\$1,000.00	\$3,626.29	(\$2,626.29)		\$546,570.45		
07/01/20	\$546,570.45	\$1,000.00	\$3,643.80	(\$2,643.80)		\$549,214.25		
08/01/20	\$549,214.25	\$1,000.00	\$3,661.43	(\$2,661.43)		\$551,875.68		
09/01/20	\$551,875.68	\$1,000.00	\$3,679.17	(\$2,679.17)		\$554,554.85		
10/01/20	\$554,554.85	\$1,000.00	\$3,697.03	(\$2,697.03)		\$557,251.89		
11/01/20	\$557,251.89	\$1,000.00	\$3,715.01	(\$2,715.01)		\$559,966.90		
12/01/20	\$559,966.90	\$1,000.00	\$34,531.29	(\$33,531.29)		\$593,498.19	\$74,426.91	2020
01/01/21	\$593,498.19	\$1,000.00	\$3,956.65	(\$2,956.65)		\$596,454.85		
02/01/21	\$596,454.85	\$1,000.00	\$3,976.37	(\$2,976.37)		\$599,431.21		
03/01/21	\$599,431.21	\$1,000.00	\$3,996.21	(\$2,996.21)		\$602,427.42		
04/01/21	\$602,427.42	\$1,000.00	\$4,016.18	(\$3,016.18)		\$605,443.60		
05/01/21	\$605,443.60	\$1,000.00	\$4,036.29	(\$3,036.29)		\$608,479.89		
06/01/21	\$608,479.89	\$1,000.00	\$4,056.53	(\$3,056.53)		\$611,536.43		
07/01/21	\$611,536.43	\$1,000.00	\$4,076.91	(\$3,076.91)		\$614,613.33		
08/01/21	\$614,613.33	\$1,000.00	\$4,097.42	(\$3,097.42)		\$617,710.76		
09/01/21	\$617,710.76	\$1,000.00	\$4,118.07	(\$3,118.07)		\$620,828.83		
10/01/21	\$620,828.83	\$1,000.00	\$4,138.86	(\$3,138.86)		\$623,967.69		
11/01/21	\$623,967.69	\$1,000.00	\$4,159.78	(\$3,159.78)		\$627,127.47		
12/01/21	\$627,127.47	\$1,000.00	\$4,180.85	(\$3,180.85)		\$630,308.32	\$48,810.13	2021